VZCZCXRO5801 PP RUEHFK DE RUEHKO #2079/01 1080207 ZNR UUUUU ZZH P 180207Z APR 06 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC PRIORITY 1077 RUEKJCS/SECDEF WASHDC PRIORITY RUCPDOC/USDOC WASHDC PRIORITY RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY RUYNAAC/COMNAVFORJAPAN YOKOSUKA JA PRIORITY RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY RHHMHBA/COMPACFLT PEARL HARBOR HI//N541// PRIORITY RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA// PRIORITY RUHBANB/OKINAWA FLD OFC US FORCES JAPAN CP BUTLER JA PRIORITY RHMFIUU/COMUSJAPAN YOKOTA AB JA PRIORITY INFO RUEHFK/AMCONSUL FUKUOKA 5755 RUEHOK/AMCONSUL OSAKA KOBE 8933 RUEHBJ/AMEMBASSY BEIJING 1813 RUEHMO/AMEMBASSY MOSCOW 0978 RUEHUL/AMEMBASSY SEOUL 7978 RUCNDT/USMISSION USUN NEW YORK 9857 RHEHAAA/NSC WASHDC

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SUBJECT: MEDIA REACTION US-CHINA RELATIONS - TOKYO

LEAD STORIES: Most Tuesday morning papers front-paged reports concerning surging oil prices in London and New York, with crude oil futures hitting 71 USD a barrel in London and 70 USD in New York.

- 11. Three major dailies gave inside-page coverage to President Hu's visit to the US. There were no immediate editorials or commentaries.
- 12. "Beijing Trying to Prevent Trade Friction from Escalating Before Hu's Talks With Bush" The Beijing and Washington correspondents of the liberal Asahi commented (4/18): "Beijing is eager to prevent US-China trade friction from escalating ahead of President Hu's talks with President Bush Thursday. The Chinese government is reviewing its monetary system and protections for intellectual property rights in an attempt to head off rising sentiment in the US, particularly in Congress, in favor of sanctions on China, whose trade surplus with the US exceeded 200 billion USD last year. With a mid-term election in November, the Bush administration is placing high expectations on more concrete trade developments at the Bush-Hu meeting."
- 13. "Can US and China Build a New Era of Relations?" Correspondent Nishioka of the liberal Mainichi observed (4/18): "Chinese President Hu will make a formal visit to the US starting on Tuesday. At his talks with President Bush at the White House on Thursday, the two leaders are expected to discuss a wide range of concerns, including bilateral trade friction, Taiwan, and the North Korean and Iranian nuclear issues. It is likely that they will conduct a dialogue that will lead to a new era of relations between China, the world's largest and fastest-developing nation, and the US, the sole superpower."

- 14. "How Will Beijing Ease US Concerns over Trade Imbalance, Arms Buildup, and Human Rights Abuses?" Beijing correspondent Ito of the conservative Sankei commented (4/18): "During President Hu's visit to the US from Tuesday through Friday, he will meet with President Bush and speak at Yale University. A senior Chinese Foreign Ministry official reportedly said that during his stay in the US, Hu will promote a constructive strategic partnership with the US by trying to reduce sources of bilateral friction, including the trade imbalance, and demonstrating a cooperative stance on the Iran and North Korea issues. Attention is focusing on the extent to which the Chinese president will be able to ease deeprooted US concern over China's economic expansion and its arms buildup."
- 15. "At Odds over US Treatment of President Hu" Sankei's Washington correspondent Arimoto commented (4/18): "The US and China were at odds over how the White House would treat Chinese President Hu during his visit to the US. White House press secretary McClellan made clear that the White House had designated this a 'formal' visit, thus meaning that there would be no dinner held at the White House in Hu's honor. The US move may reflect delicate US-China relations over human rights and other issues, even though bilateral economic ties are deepening."
- 16. "A 'Souvenir' for Bush" Quasi-governmental NHK-TV's commentator Hayashi observed (4/18): "Before President Hu's visit to the US, Beijing sent a mission of more than 200 Chinese officials to America to purchase 80 commercial aircraft. The mission has reportedly concluded

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an agreement to purchase US industrial and other products worth 16 billion USD. Beijing has also agreed to resume US beef imports. Hu will take these trade accords to President Bush as a 'souvenir' in the hopes of making their talks a success and to demonstrate a new cooperative relationship with the US. The improvement of China's relations with the US would strengthen Hu's political base at home."

SCHIEFFER